



REQUEST FOR PROPOSALS (RFP) AFFORDABLE HOUSING DEVELOPMENT LEVERAGING CITY-OWNED LAND

Issued by:

City of Charlotte
Housing & Neighborhood Services and General Services-Real Estate
600 East Trade Street
Charlotte, NC 28202

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1. INTRODUCTION

General Information

The City of Charlotte (City) hereby requests proposals from qualified and experienced housing developers interested in developing affordable/mixed income housing on City-owned properties. A list of properties is provided in Section 8 of this Request for Proposals (RFP).

The City is seeking housing developers capable of developing high quality affordable/mixed income housing and demonstrate an understanding of the Charlotte community, its affordable housing needs, and the unique attributes and opportunities of the Charlotte area. Developers should provide evidence of successful experience in developing and managing affordable/mixed income housing and a commitment to an inclusive and informative public participation process regarding proposed developments.

The selected developers must submit a detailed proposal for the proposed development. Proposals will be reviewed by staff and approved by City Council. If the proposal results in an approved project, the City and selected developer will negotiate an agreement for conveyance of a possessory interest and the development of the project. The agreement will set forth additional detail regarding the property disposition, performance milestones for the developer, project development timeline, indemnities and insurance requirements, ongoing affordability covenants, financing plan, tenant selection plan and any other City requirements for the development.

City Objectives

On August 27, 2018 City Council adopted the Housing Charlotte Framework which recommends expanding the supply of high-quality preserving existing naturally occurring affordable housing and promoting self-sufficiency. One of the City's objectives is to remain in alignment with the Housing Charlotte Framework. Another one of the City's objectives is to adhere to the best-practice of leveraging City-Owned land for the development of affordable/mixed housing. The City desires to facilitate the development of affordable/mixed income housing that will:

- Provide a mix of affordable/mixed income housing units;
- Be attractive and compatible with the character of the surrounding neighborhood and larger community, and be both aesthetically attractive and functional;
- Utilize environmentally friendly and sustainable principles in development design and construction; and
- Incorporate community input on the proposed development's physical design.

2. ELIGIBLE RESPONDENTS

Eligible respondents may include one entity or a development team, including for-profit and non-profit housing developers. Respondents that include several entities must include a lead entity which has demonstrated experience and capacity in the development and management of affordable/mixed income housing and shall have successfully completed at least three housing developments of similar size and complexity as the proposed development. The three developments must have been completed

within the past three years in order for a proposal to be deemed eligible for review. It is preferred, although not required, that some of the prior successful development activity has taken place in North Carolina. Developers with prior experience building affordable/mixed income housing developments in Charlotte are encouraged to submit proposals.

Developer's capacity and experience will be evaluated based on, but not limited to the following:

- Prior experience and technical competence of the developer in completing and managing affordable/mixed income housing developments of similar scope, complexity, and magnitude;
- Developer's experience in partnering with the City of Charlotte or other municipalities and local agencies;
- Developer's track record in use of public funds, land, or other public resources;
- Developer's experience in working with the community to garner support for affordable/mixed income developments.
- Developer's financial standing as evidenced by financial references, the review of materials such as audited financial statements, and other financial status information.
- Developer's capacity to work cooperatively with City representatives and the community in the design and completion of the proposed development; and
- Developer's track record in obtaining required financing, regulatory approvals, and permits within project schedules and time frames set forth in development proposals. Consideration will also be given to the developer's track record on similar developments.
- Developer submitting proposal that is consistent with the City's current neighborhood revitalization efforts.

PLEASE NOTE: Any proposals using federal, or state funds will be required to comply with applicable state and/or federal procurement, wage, and contracting requirements.

3. PROJECT SCOPE

The City is soliciting well thought out proposals from qualified developers committed to and experienced in the development of affordable/mixed income housing. The scope of each proposal must reflect the below information.

Site Control

The City is open to a variety of site conveyance options including fee simple ownership and a long-term ground lease. The former is preferred for homeownership proposals while the latter is preferred for proposed rental developments.

Development Parameters

A. Project Size

Proposed developments may include up to the maximum allowable number of units consistent with land use policies, objectives, guidelines, and the goals of this RFP. Should a proposal require a site zoning different from the existing zoning, such a need should be reflected in the proposal with the understanding that the selected developer would undertake the desired rezoning.

B. Unit Size and Tenure

All units are expected to be of a size comparable to similar types of units. Proposals shall explain the basis for the proposed mix of unit sizes in the development and its relationship to the target households.

C. Affordability Requirements

The majority, of the units shall be affordable to households at or below 80% of the Area Median Income (AMI) and at least 20% to the total units must be targeted to households at 30% of the AMI. Also, at least 10% of the affordable units must be targeted to households with rental subsidies including vouchers funded directly or indirectly by the federal government. Strong consideration will be given to proposals serving a range of household incomes. Income levels are defined using the income limits published by the Housing and Urban Development (HUD) for low-income households in Mecklenburg County, as published by HUD and located at:

<https://www.huduser.gov/portal/datasets/il/il2017/2017summary.odn>

D. Length of Affordability Term

The City desires long term affordability periods with a minimum of 20 years for rental developments and 15 years for homeownership developments.

E. Green Building and Energy Efficiency Requirements

All developments must comply with Energy Star standards set forth by the Environmental Protection Agency. Developments are encouraged to incorporate green building techniques including but not limited to the following areas:

- Energy efficiency and renewable energy;
- Sustainable site planning;
- Safeguarding water quality and water efficiency;
- Use of energy efficient appliances and equipment;
- Conservation of materials and resources; and
- Indoor environmental quality

F. On-Site Amenities

Proposals that include resident amenities within the development, consistent with City zoning to improve the quality of life of future residents of the proposed housing development and/or the surrounding neighborhood, are encouraged.

G. Special Populations, if Applicable

Proposals shall describe special populations served by the project, if any. The City supports diverse populations and does not discriminate in housing based on race, color, religion, sex, national origin, physical or mental handicaps, or family status.

Financial Terms and Assumptions

A. Terms

Proposals will be evaluated on a variety of financial factors including the viability of the proposal financing structure, desirability of the public benefits of the proposed development, and financial feasibility to the City. The proposed sale price for homeownership proposals or rent levels for rental proposals shall be included in the proposal along with a development budget, Sources & Uses Schedule,

and 20-year financial pro forma. If any City funds are contemplated in the proposal's financing plan, the proposal shall indicate what type of City funding is contemplated, the amount to be requested, and proposed use. A timeline indicating when such funds would be required by the developer should also be included in the proposal.

B. Assumptions

The following assumptions should be used when preparing the development budget and 20-year pro forma unless alternative funding sources are subject to different or more restrictive terms.

- Contingencies: Use at least 5% for hard construction and soft costs.
- Operating cash flow projections: Use North Carolina Housing Finance Agency standards.
- Leverage: It is anticipated that the selected developer will obtain the majority of financing for development of the project from non-City sources (leverage). The amount of leverage included in the proposed financing plan will be evaluated competitively against other proposals received, with **proposals with higher leverage ratios evaluated favorably**; and
- Federal requirements: If the proposed financing plan includes federal funding sources such as HOME, CDBG, or Section 8, include costs and time for compliance with all applicable federal requirements (Section 3, Davis Bacon, etc.) in the development's 20-year pro-forma and timeline.

Zoning and Land Use Requirements

The project site is subject to the zoning provisions and the developer shall take full responsibility for any required rezoning. The City may consider being party to rezoning partitions. The City's municipal codes and General Plan are also available online at <http://charlottenc.gov/planning/Pages/Home.aspx>. Developers may contact the Planning Department for details on the City's development review processes (contact information provided in Section 6).

Environmental Review

An Environmental review of the proposed site will be necessary. If federal funding is included in the proposal's financing plan, the required environmental review must be conducted according to the guidelines under the National Environmental Protection Act (NEPA).

Other Legal Matters

The property disposition contemplated through subsequent agreements would not be a surplus property sale, but rather a City-sponsored development of an affordable/mixed income housing development on City property. Any selected developer will be required to take full responsibility for the costs and execution of any activities needed to take possession of and develop the development site, which may need to be cleared of structures, vegetation, or other debris. The property will be offered "as is" to the selected developer, who may have full responsibility for completing/updating a survey, environmental review, site preparation, permits, environmental remediation, if needed, and any other predevelopment activity. Any property tax liability during the term of a ground lease or following developer's taking possession of the project site shall be the sole responsibility of the Developer.

3. EVALUATION AND SELECTION CRITERIA

Staff will evaluate proposals received by the submittal deadline. Based on the qualifications of the development proposals, types of proposed developments, and how well the proposals respond to the

requested criteria, City staff will make recommendations to City Council for approval consideration.

4. SUBMITTAL REQUIREMENTS

RFP response packages be submitted via electronic drop box and must include a cover letter with a signature from a principal or executive director of development entity.

PLEASE NOTE: *The City may, at its sole discretion, request that proposers modify or supplement their proposal with additional information following initial submittal. The City reserves the right to reject any or all proposals submitted, to cancel this RFP, and/or to modify and reissue the RFP at any time.*

PUBLIC RECORDS

Pursuant to the North Carolina Public Records Act, all documents submitted in response to this RFP will be considered public records and will be made available to the public upon request.

- 1. Statement of Interest:** Provide a statement of developer's interest in development of the site; highlights of the developer's qualifications; developer's understanding of the objectives of the RFP; and a brief description of development team. Please limit Statement of Interest to three pages.
- 2. Applicant Qualifications:** Provide an organizational chart describing the entities and key personnel on the 's team; resumes for lead personnel, and a brief description of similar projects completed by the team in the past fifteen years. Provide at least three letters of reference for each entity included on the development team from parties or agencies involved in the developments listed.
- 3. Project Description:** Provide a narrative description of the general development concept of the affordable/mixed income housing proposed development. The following should be provided as noted in Section 1 of this RFP, unit mix, target population, financing plan, etc. Also describe how the proposed concept addresses the City's affordable/mixed housing objectives. Renderings, site plan, elevations and other graphic portrayals of the proposed development are required. All parcels are listed in Section 8.

Deadline to Submit:

5:00 P.M. on December 9, 2021

Proposals received after this time will not be considered.

Submit proposals to Miles Vaughn, miles.vaughn@charlottenc.gov with a copy to Gail Whitcomb, gail.whitcomb@charlottenc.gov

6. CITY CONTACTS AND RESOURCES

For further information about this RFP, please contact Miles Vaughn at (704) 336-5045 or at miles.vaughn@charlottenc.gov.

For information regarding the City's development review procedures, zoning, and other Planning information relevant to the Project Site, contact Senior Principal Planner, Brent Wilkinson, Charlotte-

Mecklenburg Planning Department at (704) 336-8329 Brent.Wilkinson@charlottenc.gov

For information on specific parcels or applicable City Real Estate policies and procedures, please contact Tony Korolos at (704) 249-6148 or at tony.korolos@charlottenc.gov.

Other resources available online:

- Charlotte Zoning Code, General Plan and related requirements are available online at - <http://charlottenc.gov/planning/Pages/Home.aspx>
- Charlotte Water - <http://charlottenc.gov/Water/Pages/NewConnections.aspx>
- City of Charlotte Business INClusion Program (CBI) - www.charlottebusinessinclusion.com

7. DISCLOSURES AND CHANGES TO RFP PROCESS

All proposals will become the property of the City and may be reproduced **in full or in part and/or** published online and/or on paper for public review and will not be returned to the proposers. Proposals will be public records. Please do not submit any information that is confidential.

The City of Charlotte reserves the right to request additional information from applicants, reject all submittals, waive any irregularities in the submittal requirements, or cancel, suspend, or amend the provisions of this RFP at any time. If such an action occurs, the City will notify all applicants, and any other parties requesting such notice, by posting updates online at:

<https://charlottenc.gov/HNS/Housing/RFP/Pages/Requests%20For%20Proposals.aspx>

8. CITY PROPERTIES UNDER CONSIDERATION FOR AFFORDABLE HOUSING USAGE

No.	Location	Parcel ID*	Acre	Appraised Value	Zone	Council District	Location Information
1	813 Crater Street	159-062-22	0.18	\$690,000	R-5	5	This parcel has a restrictive single-family home covenant.
	3430 June Drive	159-05-111	0.133		R-4		Parcel information is the same as the below parcels on Wendover Road.
	1506 N Wendover Road	159-062-31	4.6		R-4		These parcels line both sides of Wendover Rd. where no on-street parking is allowed. Interested developers will need to identify site access, alleys for parking, and best zoning based on proposed site plans. Selected developer should coordinate with the Charlotte Department of Transportation Pedestrian Program for a potential funding partnership to construct planting strip and sidewalk.
	1719 N Wendover Road	159-063-16	0.15		R-4	1	
	1713 N Wendover Road	159-063-15	0.13				
	1705 N Wendover Road	159-063-14	0.22				
	1625 N Wendover Road	159-063-09	0.66				
	1607 N Wendover Road	159-063-06	0.17				
	1506 N Wendover Road	159-051-11	0.13				
	1501 N Wendover Road	159-051-05	1.3				
2	11217 Providence Road W	223-132-08	2.6	\$1,000,000	R-3*	7	This parcel is the remnant parcel recently available for affordable housing development following the construction of the CMPD South Station. The parcel is currently in the rezoning process to be rezoned to R 22. *The requested rezoning will go to City Council for consideration on November 15, 2021.
3	1654 Newland Road	077-061-13	1.34	\$90,000	R-12MF	2	Though currently vacant, the parcel had a structure on it previously. The property has no water or sewer connections. Selected developer should coordinate with the Charlotte Department of Transportation Pedestrian Program for a potential funding partnership to construct planting strip and sidewalk.
4	7605 University City Boulevard	049-241-15	1.7	\$1,360,000	TOD-NC	2	This parcel is a vacant parking lot. The property was rezoned to TOD-NC by the City in October 2021 to support future development. Selected developer should coordinate with the Charlotte Department of Transportation Pedestrian Program for a potential funding partnership to construct planting strip and sidewalk.
5	2501 Archdale Drive	173-065-38	6.336	Pending determination of access issues	R-4	6	This parcel is landlocked with no existing access for development. Topography and elevations are steep throughout and may impact the buildable area.
6	7204/7202 South Boulevard	205-173-03	4.54	\$1,075,000	TOD-CC	3	This property was donated to the City of Charlotte for affordable housing development. There are no established access connections for this parcel, thus the need for an access easement may be necessary.

**Site maps provided as addendums to RFP*

9. Request for Proposals Schedule

Activity	Scheduled Date
Post RFP	November 9, 2021
Proposal Submission Deadline	December 9, 2021
City Council Review	January 2022
City Council Approval	January 2022 - February 2022